



Lakewood Hospital

Request for Proposal

The following criteria reflect the minimum elements that the Hospital considers essential to this Transaction. The Hospital will use these minimum criteria to identify and evaluate Proposals:

1. Operational Plan and Strategic Vision: Proposal must set forth the Respondent's operational plan and strategic vision for the Hospital following the completion of the Transaction, including the Respondent's overall plan to meet the condition that the Hospital continue to be operated as an acute care hospital with inpatient services, a full service emergency room on site, and with all or most of its current services components maintained for the reasonably foreseeable future (to be defined in the Proposal). The overall plan should specifically identify the strategic plans for upgrading, enhancing, and expanding the facility and services, as well as specifying plans to modify or change existing services. Particular consideration should be given to addressing how the Respondent will continue to support the overall health needs of the local community, based on those needs identified in the Community Health Needs Assessment.
2. Assurance of Orderly Transition and Continuity and Quality of Care for Hospital Patients: Proposal must specify what measures the Respondent will take to assure an orderly transition under an affiliation or transfer of the Hospital Assets and to assure continuity and quality of care for persons who are patients of the Hospital as of the date of the completion of the Transaction.
3. Employment of Hospital Employees: Proposal must (i) address whether and the extent to which the Respondent will commit itself to the continued employment of persons who are Hospital employees as of the date of the completion of the Transaction, (ii) set forth the plan and methodology by which the Respondent would intend to accomplish such a transition, and (iii) affirmatively state the Respondent's commitment to comply with all applicable federal and state labor laws. Specifically, Proposal must also include a summary of expected changes to staffing levels, if any, by major category (physicians, nurses, other clinical staff, non-clinical support staff, administrative staff).

4. Preservation and Expansion of Medical Staff: Proposal must specify the extent to which Respondent is committed to the preservation of the Hospital's existing independent medical staff, and to the recruitment of primary care and specialist physicians.

5. Capabilities of Respondent's Organization: Proposal must generally describe: (i) the business or businesses in which the Respondent and/or the Respondent's affiliates are currently engaged; (ii) the legal entity that will enter into a definitive agreement with the Hospital for the Transaction (the "Definitive Agreement"); and (iii) the legal entity or entities that will own, operate and hold any required licenses for the delivery of healthcare services at the Hospital site, as applicable. In responding, please provide the following information:
 - a. An organizational chart of the Respondent's organization.

 - b. A description of the Respondent's experience in (i) the provision of health and related services; (ii) the integration of healthcare services between providers of various levels and types of care; and, (iii) implementing successful strategic plans to upgrade and enhance service capabilities.

 - c. A description of the Respondent and the successor healthcare organization, if different from the Respondent, including the:
 - 1) type of entity and year and state of incorporation or formation;
 - 2) position in Respondent's overall organization;
 - 3) tax status;
 - 4) members of its governing body (including names and addresses of officers and trustees/directors);
 - 5) stockholders or members;
 - 6) management (including key management personnel);
 - 7) facilities and businesses operated;
 - 8) location of facilities and businesses operated;
 - 9) nature and extent of medical school affiliations, if any; and
 - 10) audited financial statements for the most recent three (3) fiscal years (or unaudited financial statements if audited statements are unavailable).

 - d. A description of the Respondent's commitment to the provision of quality care within the healthcare facility or facilities that it operates, if applicable, and the mechanisms by which such commitment is implemented and assessed, including, for example, the licenses, certifications and accreditations, awards and public reports that are applicable to such facilities

and its corporate compliance programs.

- e. A description of the Respondent's commitment to maintaining and enhancing employee satisfaction within the healthcare facility or facilities that it operates, and the mechanisms by which such commitment is implemented and assessed.
 - f. A description of the Respondent's existing charity care and community benefits programs and plans for those at the Hospital evidencing Respondent's commitment to meet the medical needs of the Hospital's indigent patients, and the healthcare needs of the Hospital's service area.
 - g. A description of the basis on which the Respondent believes that it (or the successor healthcare organization) has sufficient current and future financial resources to carry out the intent of the Transaction (including payment of the Purchase Price and funding of capital improvements and service additions, as applicable), in the manner described in the Proposal.
 - h. The identity of the individuals who will be responsible for any final negotiations and who will be the key contact person.
 - i. A summary of Respondent's typical approval process and anticipated timeline to complete the Transaction.
6. Governance; Local Representation on Successor Healthcare Organization Governing Body. Proposal must contain a description of the legal structure of the affiliation (e.g., a full affiliation, addition of a sole member, full merger or joint venture), or in the case of a purchase, the extent to which Respondent plans to retain or include representation on the governing body of the Hospital or successor healthcare organization, as applicable, of residents of the Hospital's service area, Hospital representatives/City Officials and medical staff. If Respondent plans to include an Advisory Board, the construct of that board and the typical members of such a board should also be described.
7. Purchase Price: If applicable, the Proposal must state the cash purchase price that the Respondent is willing to pay for the Hospital Assets (the "Purchase Price"), the manner in which the Purchase Price will be paid, and how the Respondent intends to finance the Purchase Price.

8. Capital Commitment: Proposal must specify the nature and extent of its capital commitment to the Hospital facility, including the type of improvements (renovations/additions) and equipment upgrades/acquisitions that it anticipates based on existing and Respondent's proposed new service lines, if any, the amount of capital expenditures to which it will commit and the period of time over which the commitment will be made.

9. Description of Contingencies and Other Requirements in Definitive Agreement: The information conveyed in this RFP and in the Hospital Information are designed to provide Respondents with sufficient information, or the opportunity independently to obtain sufficient information (subject to the terms of the Non-Disclosure Agreement), fairly to evaluate the risks and benefits of affiliating with or of acquiring the Hospital Assets, as applicable, and to reduce to a minimum the need for further inquiry or other due diligence. However, given the confidential nature of this request, a tour of the land and buildings are not yet possible. Therefore, Respondents should detail any contingencies or other terms and conditions that they would require in the Definitive Agreement, if any.

10. Regulatory Approvals: Proposal should state Respondent's understanding of and experience relative to obtaining approvals for corporate affiliations or any other regulatory approval of any federal, state and/or local agency ("Required Regulatory Approvals") by the date of the completion of the Transaction. At a minimum, the Respondent must (i) describe in detail how it intends to obtain any Required Regulatory Approvals, (ii) state the time frame in which the Respondent anticipates the Required Regulatory Approvals will be obtained, (iii) identify the individuals in the office of each federal, state and/or local agency with which the Respondent will discuss the process of obtaining a Required Regulatory Approval, and (iv) state what collaboration or assistance will be required from the Hospital in obtaining the Required Regulatory Approvals.

The following non-mandatory criteria reflect those features of a Proposal that the Hospital prefers to be included in this Transaction. These criteria are not mandatory, however. The Hospital will use the responses to the non-mandatory criteria in its evaluation of the Proposals.

1. Assumption of AR and AP; Collection of Accounts Receivable: Respondents may include a proposal for the purchase of the Hospital's accounts receivable and the assumption of its accounts payable. For Respondents who do not wish to purchase the receivables, Proposals should state whether the purchaser, as the successor healthcare organization, has the capability and is willing to direct its financial and accounting staff, on behalf of and for the benefit of the Hospital and using billing and patient records acquired as part of the Hospital Assets, to diligently collect and pay to the Hospital the accounts receivable owed to the Hospital in connection with its provision of hospital services prior to completion of the sale.
2. Staff Training: Respondents may include proposals as to a plan or program of staff training and educational opportunities and benefits for Hospital employees.